

SENATE BILL 79

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Q3

2004 Regular Session  
4r0425

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By: **Senator Haines**

Introduced and read first time: January 16, 2004

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Credit for Long-Term Care Premiums**

3 FOR the purpose of removing certain limitations on a certain income tax credit for  
4 eligible long-term care premiums; providing for the application of this Act; and  
5 generally relating to a certain income tax credit for eligible long-term care  
6 premiums.

7 BY repealing and reenacting, with amendments,  
8 Article - Tax - General  
9 Section 10-718  
10 Annotated Code of Maryland  
11 (1997 Replacement Volume and 2003 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Tax - General**

15 10-718.

16 (a) In this section, "eligible long-term care premiums" means eligible  
17 long-term care premiums within the meaning of § 213(d)(10) of the Internal Revenue  
18 Code for a long-term care insurance contract covering an individual who is a  
19 Maryland resident.

20 (b) An individual may claim a credit against the State income tax in an  
21 amount equal to 100% of the eligible long-term care premiums paid by the individual  
22 during the taxable year for long-term care insurance covering the individual or the  
23 individual's spouse, parent, stepparent, child, or stepchild.

24 (c) The credit allowed under this section:

25 (1) may not exceed \$500 for each insured covered by long-term care  
26 insurance for which the individual pays the premiums; AND

1           (2)     may not be claimed by more than one taxpayer with respect to the  
2 same insured individual]; and

3           (3)     may not be claimed with respect to an insured individual if:

4           (i)     the insured individual was covered by long-term care insurance  
5 at any time before July 1, 2000; or

6           (ii)    the credit has been claimed with respect to that insured  
7 individual by any taxpayer for any prior taxable year].

8     (d)     (1)     The total amount of the credit allowed under this section for any  
9 taxable year may not exceed the State income tax for that taxable year, calculated  
10 before application of the credits under this section and §§ 10-701 and 10-701.1 of this  
11 subtitle, but after application of the other credits allowable under this subtitle.

12           (2)     The unused amount of the credit for any taxable year may not be  
13 carried over to any other taxable year.

14     (e)     The credit allowed under this section does not affect the treatment under  
15 this title of any deduction or exclusion allowed for federal income tax purposes for the  
16 eligible long-term care premiums paid by the individual.

17     (f)     On or before December 1, 2005 and each December 1 thereafter, the  
18 Comptroller shall report to the Governor and, subject to § 2-1246 of the State  
19 Government Article, to the General Assembly, regarding the credit allowed under this  
20 section, including:

21           (1)     the number of individuals who have claimed the credit, the amount  
22 allowed as credits, and the additional number of individuals covered by long-term  
23 care insurance as a result of the credit; and

24           (2)     the savings under the State's Medical Assistance Program as a result  
25 of additional individuals being covered by long-term care insurance as a result of the  
26 credit.

27     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 July 1, 2004, and shall be applicable to all taxable years beginning after December 31,  
29 2003.